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GENERAL

Q. What are Child Care Stabilization Grants?

A. North Carolina Child Care Stabilization Grants are non-competitive financial awards made directly to eligible, qualified early care and learning programs across the state to sustain and stabilize their businesses, support working families with access to high-quality, affordable care and education, and promote equity for children, parents, and teachers.

Q: How are Child Care Stabilization Grant Funds awarded?

A: Each approved program receives a **Fixed Costs and Families Grant**, based on capacity, subsidized child care enrollment, program quality (star rating), infant/toddler enrollment, and community context (using Social Vulnerability Index). Programs may choose to also receive additional funding, **Compensation Supports Grants**, to support recruitment and retention. The two components are intended to grant early care and learning programs the funds to facilitate high quality early childhood education at its true cost and attract and retain high-quality teachers by increasing compensation.

Q. What are the options for Compensation Support Grants?

A. If a child care program decides to apply for additional funding for compensation support, they must and select only **one** of the two options: **Option 1 – Bonuses** OR **Option 2 – Increase Base Pay and/or Benefits**. (See [Allowable Uses of Grant Funds](#) section for more information.)

Q. Are Child Care Stabilization Grants loans? Do the funds they have to be paid back?

A. Child Care Stabilization Grants are not loans. Child Care Stabilization Grants do not have to be paid back as long as they are used for approved purposes.

Q. Are Child Care Stabilization Grants payments automatically awarded to early care and learning programs?

A. No, child care programs must apply for these non-competitive grants.

ALLOWABLE USE OF GRANT FUNDS

Fixed Costs and Families Grant

Q: How can the Fixed Costs and Families Grant be used?

A. Fixed Costs and Families Grant Expenditures must fit into one of these categories of approved uses:

- 1) Rent (including rent under a lease agreement) or payment on any mortgage obligation, utilities, facility maintenance or improvements, or insurance. **Funds may NOT be used for new construction or major renovation.**
 - a. As defined in [45 CFR 98.2](#), “Major renovation” means:
 - i. structural changes to the foundation, roof, floor, exterior or load-bearing walls of a facility, or the extension of a facility to increase its floor area; or
 - ii. extensive alteration of a facility such as to significantly change its function and purpose, even if such renovation does not include any structural change;
 - b. Examples of acceptable facility maintenance or improvements include, but are not limited to:
 - i. building or upgrading playgrounds
 - ii. renovating bathrooms
 - iii. installing railing, ramps, or automatic doors to make the facility more accessible
 - iv. removing non-load bearing walls to create additional space for social distancing
 - v. maintenance and minor renovations to address COVID-19 concerns
 - vi. facilities improvements that make programs inclusive and accessible to children with disabilities and family members with disabilities.
- 2) Personal protective equipment, cleaning and sanitization supplies and services, or training and professional development related to health and safety practices.
- 3) Purchases of or updates to equipment and supplies to respond to the COVID–19 public health emergency.
- 4) Goods and services necessary to maintain or resume child care services.
- 5) Mental health supports for children and employees.
- 6) Tuition assistance for families.
- 7) Past Expenses: reimbursement of debt or expenditures incurred after January 31, 2020, for the cost of a good or service that falls in the categories above to respond to the COVID–19 public health emergency.
- 8) Personnel costs, including payroll and salaries or similar compensation for an employee (including any sole proprietor or independent contractor), employee benefits, costs for employee recruitment and retention as well as ongoing professional development or training, premium or hazard pay, staff bonuses, and employee transportation costs to or from work.

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Option Additional Funding to Compensation Grants

Q: How can the Child Care Stabilization Compensation Supports Grant Option 1 be used?

A: Early care and learning programs selecting **Option 1** agree to use the additional funding to provide bonuses to all staff. Programs will develop and implement a bonus plan that ideally factors in education and length of service, as well as job responsibilities. Programs must keep payroll records for seven years.

Q. How can the Child Care Stabilization Compensation Support Grants Option 2 be used?

A. By selecting **Option 2**, programs agree to increase base pay and/or benefits for any staff in a child care center or family child care home and their employees. Programs will develop and implement a compensation scale that ideally factors in education and length of service, as well as job responsibilities. Programs must keep records of payroll and premiums paid with grant funds for seven years.

Q. What's the difference between Compensation Grant Option 1 and Option 2?

A. Programs may use the Grant Payment Estimator on the DCDEE [Stabilization Grants web page](#) to see the difference in grant award amounts between Option 1 and Option 2.

Option 1 Bonuses	Option 2 Increase base pay	Option 2 Benefits
Additional lump sum on paycheck or separate bonus check	Additional pay per hour	Non-monetary compensation such as health insurance, retirement plans, reimbursement for professional development or transportation, etc.
Is taxable	Is taxable	Often tax free
Counts toward income eligibility	Counts toward income eligibility	Typically doesn't count toward income eligibility
	Higher grant award amounts	

Q. I want to give bonuses AND increase salary/benefits. Can I choose both Option 1 and Option 2?

A. No. Programs may only choose one Compensation Supports Grant option. Programs that select *Option 2: Increase Salary and/or Benefits* may use Fixed Costs and Families grants funds to give bonuses.

Q: Can you use the fixed costs for bonuses if you didn't choose Option 2?

A: Yes, If a child care program didn't opt-in to Option 2, they can use the fixed cost grant for bonuses.

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Q. What is a salary scale? How do I make one?

A. [North Carolina Early Childhood Compensation Collaborative Model Salary Scale for Early Education Teachers](#) is an excellent example salary scale. Child care programs do not have to copy it exactly; feel free to adapt it to fit the facility.

Q. What counts as benefits for Compensation Support Grants Option 2?

A. Examples of benefits, includes, but is not limited to:

- Health, dental, and vision insurance
- Scholarships
- Paid time off
- Paid sick or family leave
- Retirement contributions
- Professional development or training
- Premium or hazard pay
- Employee transportation costs to and/or from work.
- Funds may also be used to support staff in accessing COVID-19 vaccines, including paid time off for vaccine appointments and to manage side effects, as well as transportation costs to vaccine appointments.

APPLICATION/RECERTIFICATION APPLICATION

Q: Are all child care programs in NC required to apply for Child Care Stabilization Grants?

A: No, programs are not required to apply, but all eligible, qualified child care providers in North Carolina are encouraged to apply for Child Care Stabilization Grants funding.

Q: What is the deadline to apply for Child Care Stabilization Grants?

A: Applications for non-competitive Child Care Stabilization Grants are currently being accepted on a rolling basis. Child care programs may apply for the Child Care Stabilization Grants at any time.

Q: Who is eligible and qualified to receive Child Care Stabilization Grants ?

A: North Carolina child care programs that are **eligible** for Stabilization Grant funding include:

1. Licensed, private (for- and not-for-profit) Child Care Centers
2. Licensed Family Child Care Homes
3. Faith-based (GS 110) Child Care Programs operating under a Notice of Compliance

Qualified North Carolina Child Care programs are **open** and hold **one** of these three:

1. a current star-rated child care license
2. a notice of compliance and eligibility to participate in the Subsidized Child Care Assistance Program
3. a license, or been regulated under a notice of compliance by DCDEE (i.e., faith-based GS110-) on or before March 11, 2021.

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Q. Are Head Start, Early Head Start and NC Pre-K programs eligible to receive Child Care Stabilization Grants?

A. No. Because stabilization grant funding is intended to help the child care sector, public prekindergarten programs, Head Start, or Early Head Start, which typically operate under different program rules and funding structures than child care, are not eligible for NC Child Care Stabilization Grants. However, *private* NC Pre-K programs may apply.

Q: What information is needed to apply for Child Care Stabilization Grants?

A: Eligible, qualified child care programs will need to:

1. Have or create a Business NCID and link the facility name to it. (See Job Aid – [Creating and Linking your NCID](#))
2. Have or setup a direct deposit account (See Job Aid - [Setting up your Direct Deposit](#) (PDF))
3. Detailed list of staff, including education and pay rate (See [Staff and Training Worksheet](#))
4. Student enrollment information by age
5. Tuition rates
6. Estimated monthly expenses (payroll, benefits, rent/mortgage, utilities, insurance, teaching supplies, cleaning supplies, PPE, groceries, etc.)
7. Estimated monthly revenue

Q. How does a program apply for Child Care Stabilization Grants?

A. Use the Job Aid - [Application Instructions](#) (PDF) for step-by-step guidance and screenshots to complete the online application in the [American Rescue Plan Stabilization Grants for Child Care Providers Portal](#).

Q: What are the technical requirements to access the Stabilization Grant Portal?

A. A PC or Mac

Q: Can I complete a paper application for Child Care Stabilization Grants?

A. No, paper applications are not available and will not be accepted.

Q: If a provider owns/operates more than one child care facility, how do they apply?

A: Providers can receive only one stabilization grant per licensed child care program. If a provider has multiple sites, one application will need to be submitted per site.

Q: How often do programs need to apply for a Stabilization Grant?

A: Child care programs will only apply for the stabilization grant funding once. Every 6 months, programs must complete a recertification application to continue receiving funds.

Q. How do child care programs complete the recertification application for Child Care Stabilization Grants?

A. Use the Job Aid-[Stabilization Grant – Recertification Application](#) (PDF) for step-by-step guidance and screenshots. Login to the [American Rescue Plan Stabilization Grants for Child Care Providers Portal](#) to complete the recertification application.

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Q: Where in the Application or recertification application do I upload my records and receipts?

A: You do not have to submit receipts in the Application or recertification application. You will document the use of funds during Quarterly Updates.

Q: How in the Application or recertification application do I enter my star rating?

A: Child care programs will not need to enter the star rating. The star rating will come from the DCDEE regulatory system.

Q: How do I answer: *Was your program licensed (OR operating under a notice of compliance) by DCDEE on or before March 11, 2021?

A: If your program was licensed on or before March 11, 2021, you should respond “yes”. If your program is a GS 110-106 operating under a notice of compliance on or before March 11, 2021, you should respond “yes”. You should only respond “no” if you are a new facility that was licensed after March 11, 2021.

Q: I am receiving error message “invalid date” when adding my license date. What do I do?

A: Make sure you answered the 2nd question in this section correctly. *See previous Q&A above.

Q: In Section 3, how do I calculate my facility’s maximum enrollment?

A: Maximum enrollment means the total number of children attending if the facility has full enrollment. For example: If a facility serves three shifts of 8 children in each shift, the maximum enrollment in that facility would be 24 children. If you serve children part-time, count shared slots as ‘one’ slot. For instance, if your enrollment is 4 full time and 4 part time, your enrollment is 6.

Q. How do I opt in to receive additional Child Care Stabilization Grants funding for compensation support, i.e., Compensation Support Grants?

A. In Section VI Certifications, Question 2 asks, “Would you like to receive funds for Compensation Support (Bonuses, Salaries and/or Benefits)?” Answer “Yes”. Then **select either** “Option 1: Bonuses” **or** “Option 2: Increase Base pay and/or Benefits”. You may only make one selection.

Q. How can I change my compensation support option or opt out of that funding?

A. During recertification application period, you may opt out, opt in, or switch options for compensation support. Just be sure to spend the funds according to how they were awarded. For example, if you’ve been paid Option 1 funds and wish to change during the recertification period to Option 2, you must still spend any Option 1 funds you received to award bonuses.

Q: What must child care providers attest to in order to qualify for a stabilization grant?

A: Applicants must certify that, if awarded grant funds, they will:

1. Follow local, state, and federal health and safety requirements.
2. Maintain full compensation for staff.
3. To the extent possible, provide relief from copayments and tuition for parents struggling to afford child care.
4. Meet CCDF requirements (e.g., background checks, participate in health and safety trainings).

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Q: Should child care programs include contracted workers (accountants, sub- teachers, HR consultants, etc.) in the payroll or fixed cost?

A: Use Fixed Costs and Families Grant funds to pay for these services.

Q: Are all program staff required to be vaccinated against COVID-19 to get stabilization grant funds?

A: There is no COVID-19 vaccine requirement for Child Care Stabilization Grant recipients. However, grantees are required to follow local, state, and federal public health requirements in the fight against COVID-19. NC DHHS remains committed to providing the most effective and appropriate public health guidance for the current phase of the pandemic. The best tools right now are getting vaccinated, getting boosted when eligible, testing after exposure, and staying home when sick. NC DHHS COVID-19 guidance for Child Care programs can be found in the [ChildCareStrongNC Public Health Toolkit](#).

Q. What does “Status” mean in the Child Care Stabilization Grants Portal?

A. *Status definitions for Application or Recertification Application:*

- **Draft** – Indicates that a Recertification has been started, but not submitted. **Action is required.** Programs must submit Recertification by 5 PM on April 4.
- **Pending Signature** – Child care program has accepted the Terms and Conditions, but has not submitted the Recertification. **Action is required.** Program staff log back in, **sign** and **submit** the recertification to be considered for grant funds.
- **Approved** – The Recertification has been accepted and will be funded on the next grant payment date.
- **Pending** – Program has submitted the Recertification; but the electronic review has found one or more items that need to be reviewed by an appropriate DCDEE staff member who will address the issue or contact the child care program to resolve. These reviews can take 5-7 business days, occasionally longer, so please be patient.
- **Denied** – The child care program, as assessed from recertification, does not qualify to receive Child Care Stabilization Grant funds.

Q: When will my application be approved? How long does DCDEE take to review a Child Care Stabilization Grant application?

A. Applications are electronically reviewed immediately upon submission and assigned an application status of approved, denied, pending signature, or pending, which will display on the screen.

Q: Once I submit my online Child Care Stabilization Grants application, how can I edit my information?

A: *You can't.* Once approved, the submitted application becomes a legally binding agreement between the applicant and the Division of Child Development and Early Education. You may review the [Terms and Conditions](#) of that agreement. Please take your time and make certain that all information is accurate before signing and submitting.

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GRANT AWARD PAYMENTS

Q: How much money will each program get?

A: Grant award amounts depend on several factors. Use the grant payment estimator on the [DCDEE Stabilization Grants web page](#) for a close estimate.

Q: When are Child Care Stabilization Grant Award paid?

A. Child Care Stabilization Grant Award payments are issued quarterly, usually mid-month. One total payment will be issued with an amount for Fixed Costs and Families Grant, and if opted in, an additional amount for Compensation Support Grant. When a payment is issued, check the portal to how the payment is allocated.

Child Care Stabilization Grant Award Payment Dates	
January 2022	October 2022
April 2022	January 2023
July 2022	April 2023

Q: Are the Stabilization Grants considered taxable income?

A: The ARP Act does not exempt stabilization grant funding from taxation. Therefore, this funding is subject to the same tax rules as regular CCDF funding. Child care programs may use Fixed Cost grant funds to pay taxes.

Q. How much of the grant payment is for Fixed Costs and Families and how much is for Compensation Support? Where can I see the payments made to my child care program?

A. Each child care program grantee receives a payment deposit composed of a Fixed Cost Payment and, if opted in, a Staff Based Payment. After logging in to the portal and clicking on the facility name, locate the section labeled “Payments” (below the section labeled “Benefit Program”). Stabilization grants payments made to your facility are listed with the *Payment Name*, *Payment Post Date*, *Amount*, and *Description*. See the screenshot below for an example.

Payments (2)			
Payment Name	Payment Post Date	Amount	Description
November 2021 Staff Based Option 1 Payment	11/16/2021	\$2,352.00	
November 2021 Fixed Cost Payment	11/16/2021	\$8,858.63	Total November 2021 Stabilization Grants Payment: \$11,210.63

Q: How will I report this on my taxes?

A: Child care facilities will receive a Form 1099 documenting your grant income. If you do not receive the 1099, please contact FIS at +1(800) 894-0050.

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Q: Will I need to maintain documentation and/or receipts detailing how the stabilization grants were used?

A: Yes. Grant expenditures must be reported and documentation must be uploaded during a Quarterly Update. Child care programs receiving stabilization grant funds will need to maintain documentation of grant fund spending. Get receipts for cash payments. Keep all records on file for 7 years.

QUARTERLY UPDATE

Q. What is a Quarterly Update?

A. During the Quarterly Updates, child care programs report their grant expenditures and upload documentation of those expenses in the Stabilization Grant portal. They can also update their workforce records to show new hires, staff changes, pay raises, teacher educational achievement, or student enrollment to show how grants are helping their business.

Q. How do child care programs complete the Quarterly Update?

A. Use the Job Aid - [Stabilization Grant – Quarterly Update](#) (PDF) for step-by-step guidance and screenshots. Go to the [American Rescue Plan Stabilization Grants for Child Care Providers Portal](#) to complete the Quarterly Update.

Q. How do I know what category to put my Fixed Costs and Families Grants expenses in?

A. Use this table to help you decide what category each expenditure will go in.

Fixed Cost/Family Grant Types	Category
Goods and services necessary to maintain or resume child care services.	Goods and services
Copayments and tuition payments for families with children enrolled in the program	Goods and services
Repayment of costs incurred after the declaration of the public health emergency on January 31, 2020, for any of the categories listed above	Goods and services
Mental health supports for children and employees	Mental health supports
PPE, cleaning and sanitation supplies and services, or training and professional development related to health and safety practices	Personal protective equipment
Teacher and staff recruitment	Personnel Costs
Teacher and staff compensation	Personnel Costs
Purchases of or updates to equipment and supplies to respond to COVID-19	Purchases of or updates to equipment and supplies
Rent or mortgage payments, utilities, facilities maintenance and improvements, or insurance	Rent/Mortgage/Utilities

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Q: What will child care programs need to upload?

A: Child care programs can use a variety of documents to show how the stabilization grant funds were used.

For *Fixed Costs and Families Grants*, acceptable documentation includes, but is not limited to:

- Invoices, receipts, and bills
- Bank account or credit card statements
- Cancelled checks
- Loan statements or documents
- Payroll records
- P&L Statements from accounting software
- For tuition assistance to families, invoice marked “paid” or something on letterhead showing the amount given and to whom.

If you received *Compensation Supports Grants*, you’ll need to upload two items:

- A bonus plan, or a salary/benefits plan establishing the method your program is using to distribute compensation grant funds to staff.
 - The plan must include all employees.
 - This can be a narrative description, a table, spreadsheet or matrix for larger programs. Show your work! Tell us what’s different. Plan should indicate changes you’ve made or are planning to make.
- Proof of payments you’ve made or benefits you’ve provided
 - Payroll records
 - Cancelled checks
 - Receipts or invoices from benefit vendors

Q. In the Quarterly Update, I get an error message “A home facility should have at least one active Administrator.” What does that mean?

A. To align with recently released federal reporting requirements, the Division of Child Development and Early Education has changed a required response in Section VI: Workforce Updates. Every grantee must designate one employee’s Position as “Administrator”. Many family child care homes may need to change their Position from “Owner” to “Administrator”. To do so, select “Yes” when asked “Have there been any changes to your workforce during the past quarter?” Then follow instructions for updating an employee on page 25 of the Recertification Job Aid [Quarterly Update Job Aid](#).

Q. I received payments for Option 2: Increase Base pay and/or Benefits. How do I “identify the way in which the funds were used for personnel cost” in Section III Compensation Supports of the Quarterly Update?

A. Enter a value between 0 to 100 to indicate the percentage of your Compensation Support Grant funds you used to increase base pay and the percentage you used for Benefits. Values should add up to 100 percent of Option 2 funds received.

Q: If we have recently made a part-time teacher full time, would that be considered workforce update?

A: Yes, please update that information in the Workforce Section.

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Q: How do I upload paper receipts to my computer?

A: The Job Aid-[Stabilization Grants – Quarterly Update](#) has upload and download instructions.

Q. What does “Status” mean in the Child Care Stabilization Grants Portal?

A. Status definitions for Quarterly Updates:

- **Draft** – Indicates that a Quarterly Update has been started, but not submitted yet. **Action is required.** Submit Quarterly Update(s) and get “Submitted” status. If both Quarterly Updates are due, complete and submit both. Then, complete the Recertification. Recertification is due by 5 PM on April 4.
- **Pending Staff Update** –Child care program answered “Yes” to “Have there been any changes to your workforce during the past quarter?” However, no changes were made to staff list. **Action is required.** Make a change to the staff list, **OR go back** and answered “No” to the question.
- **Submitted** – The grantee has completed the Quarterly Update. **Note:** There is no “Approved” status for Quarterly Updates.
- **Pending** – Child care program completed the Quarterly Update; but the electronic review has found one or more items that need to be reviewed by an appropriate DCDEE staff member who will address the issue or contact the child care program to resolve. These reviews can take 5-7 business days, occasionally longer, so please be patient.

GET HELP

Q: Where can I get more information about Child Care Stabilization Grants?

A. The Division of Child Development and Early Education maintains a Child Care Stabilization Grants webpage at <https://ncchildcare.ncdhhs.gov/Stabilization-Grants>.

Q. How do I get ask a question or report a problem?

A. You may call DCDEE’s Customer Support Team Monday-Friday from 8:30 AM-4:30 PM at (919) 814-6300, Option 2, or email dcdee_support@dhhs.nc.gov.

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